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ANNUAL REPORT OF THE ADMINISTRATOR FOR 1997 AND RELATED MATTERS

Addendum

OTHER FUNDS AND PROGRAMMES

SUMMARY

In the introduction to the annual report of the Administrator for 1997 (DP/1997/17), the Administrator underscores the important partnership that exists between UNDP and its associated funds and programmes at the various levels of the organization's work in support of programme countries' efforts to eradicate poverty. The present report provides highlights of 1997 achievements and key challenges for 1998 for the Special Unit for Technical Cooperation among Developing Countries (SU/TCDC), the United Nations Capital Development Fund (UNCDF) and the United Nations Development Fund for Women (UNIFEM), as well as information on how the partnership between SU/TCDC, UNCDF, UNIFEM and UNDP is being strengthened further.

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I. SPECIAL UNIT FOR TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES

A. Introduction

1. It is difficult for developing countries, especially least developed countries, to participate in the globalization process. Advances in finance, communications and technology have bypassed many developing countries. Others continue to be immersed in the problems of coping with abject poverty and hunger and risk of being marginalized. Such an uneven trend calls for a renewed global partnership for cooperation. Traditional technical cooperation, characterized by North-South relations, will remain an important factor in the sustained economic growth of developing countries. Technical cooperation among developing countries (TCDC), in the framework of South-South cooperation, complements rather than substitutes for traditional modes of international development cooperation.

2. In its mission statement UNDP 2001 reiterates that UNDP supports South-South cooperation by actively promoting the exchange of experience among developing countries. The promotion of such cooperation has thus become UNDP corporate policy and a core responsibility of its senior managers.

3. Spearheaded by the Special Unit for Technical Cooperation among Developing Countries (SU/TCDC), a Unit established within UNDP by General Assembly resolution 3251 (XXIX) of 4 December 1974 with a mandate to promote TCDC on a system-wide basis, UNDP has embarked upon a strategy to intensify its support to South-South cooperation and TCDC by making TCDC a cross-cutting instrument in the design and delivery of UNDP-supported poverty eradication programmes. A study of the 120 existing regional and country cooperation frameworks and programme outlines conducted by the Special Unit revealed that 50 per cent of them have used TCDC either as an implementation strategy or as a set of distinct programme activities.

4. In its decision 95/23, the Executive Board allocated 0.5 per cent of UNDP core programme resources for the promotion of TCDC during the current programme period (1997-1999), which enabled the Special Unit to formulate, for the first time, a distinct TCDC programme, beginning in 1997. The programme focuses on strengthening developing countries' capacity to intensify cooperation among themselves, in strategic areas of trade, investment, macroeconomic policy, poverty eradication, environmental protection, production and employment, through exchange of knowledge and networking among southern institutions. The contributions of $2 million by the Government of Japan under the Japanese Human Resources Development Fund and of $200,000 by the Government of the Republic of Korea to the Voluntary Trust Fund for the Promotion of South-South Cooperation provided the programme with much-needed additional resources.

B. Highlights of 1997 achievements

5. In the areas of trade, investment and finance, efforts were made to identify concrete measures to improve linkages between TCDC and economic cooperation among developing countries (ECDC). The Unit supported the Group

of 77 and China in the organization of the South-South Conference on Trade, Finance and Investment, held in San Jose, Costa Rica, from 13 to 15 January 1997. The conference brought together government and private sector representatives, including from Chambers of Commerce, industry and exports, and non-governmental organizations (NGOs), from the 132 member countries of the Group of 77 and China, as well as from relevant international organizations. For the first time, a group of 140 young entrepreneurs from 65 developing countries also participated in the discussion. The conference emphasized increased dialogue and cooperation among Governments, the private sector and NGOs as a means of responding to the challenges of the twenty-first century, and produced a systematic framework for cooperation in the areas of trade, finance and investment among developing countries.

6. In partnership with the Third World Network (TWN), headquartered in Malaysia, the Special Unit provided developing countries with insightful and timely analyses of the effects of globalization on the economies of developing countries, through the organization of regular briefings for developing country delegates stationed in Geneva, Switzerland, and subject-specific seminars for experts and institutions of the developing countries on a wide range of issues pertaining to globalization and economic liberalization, and ongoing negotiations in the World Trade Organization (WTO). The TWN fortnightly journal "Third World Economics", and the daily newsletter "South-North Development Monitor" served as important means of exchanging information and knowledge among developing countries on these issues.

7. In the follow-up to the Barbados Programme of Action for the Sustainable Development of Small Island Developing Countries (SIDs) and the UNDP role in strengthening the capacities of the SIDS at the national and subregional levels, the Special Unit prepared the Small Island Developing States Technical Assistance Programme (SIDSTAP) and conducted an assessment of unmet needs in the various SIDS regions, especially in the Caribbean, and formulated a compendium of proposals for technical cooperation in a number of priority areas falling under the 14 chapters of the Barbados Programme of Action. In collaboration with the Sustainable Development Network Programme (SDNP), the Special Unit also supported the launching of a pilot SIDS information network (SIDSNET) connected to the Internet. Pursuant to provisions of General Assembly resolution 51/183, UNDP is collaborating with the Department of Economic and Social Affairs in the United Nations Secretariat in organizing a donors conference to review project proposals for unmet needs identified by SIDS Governments.

8. In line with the recommendations in the report "New Directions for TCDC", the Special Unit brought together representatives of 23 pivotal developing countries from the Africa, Arab States, Asia and the Pacific, Europe, and Latin America and the Caribbean regions to the Meeting of TCDC Pivotal Countries, held from 17 to 19 November 1997, in Santiago, Chile, to discuss their experiences in responding to the effects of globalization. The meeting reaffirmed the increasing relevance of economic and technical cooperation among developing countries in the context of globalization. The meeting also identified a number of strategic areas for closer cooperation among developing countries, and the critical role pivotal countries can play in such cooperation. Representatives of the United Nations Conference on Trade and Development (UNCTAD), the Economic

Commission for Latin America and the Caribbean (ECLAC) and the Latin American Economic System (SELA) also participated as observers.

9. Another significant intervention in the area of gender has been the support provided to the Regional Prevention of Maternal Mortality (RPMM) network, which is headquartered in Ghana. The network serves both as a repository and a provider of knowledge and experience in preventing maternal mortality, based on an effective methodology for measuring and reducing maternal death. Through the application of the interdisciplinary team work of nurses, midwives, community physicians, social scientists and obstetricians, the network has successfully helped to reduce maternal death in 11 rural communities in Ghana, Nigeria and Sierra Leone. Efforts are being made to replicate the experience in Kenya, Uganda, and the United Republic of Tanzania, and eventually, in all francophone African countries.

10. In the area of poverty eradication, the Special Unit supported the launching of the Microfin Afric Network, headquartered in Senegal. The network was established to facilitate the sharing of experiences in micro-financing and micro-enterprises, especially those related to women, in African countries. It also helps to create micro-financing opportunities for micro-enterprises, and provides training on credit-qualification and management, with the poorest women and their families as the primary beneficiaries. The network has now become one of the main organizations entrusted with the preparation of the Conference on African Women and Economic Development, sponsored by the Economic Commission for Africa. Other successful interventions included the identification and dissemination of best practices on poverty reduction in Latin American countries, the organization of the workshop on municipalities and urban poverty in Latin American countries, and support to the health reform process to reduce the impact of poverty in the Caribbean.

11. In the area of production and employment, the Special Unit supported the Network of Networks and Technology Management Centre for the Organization of Eastern Caribbean States, with the aim of strengthening linkages among centres of excellence in the region. The network brings together a wide range of stakeholders, including universities, research and development communities, government agencies, the productive sector and NGOs, in order to develop innovative approaches to increasing productivity, diversifying employment opportunities, and improving international competitiveness in an increasingly globalized economy.

12. To foster intra- and interregional cooperation, the Special Unit supported the first meeting of Directors of International Cooperation of the countries in the Latin America and the Caribbean region to explore ways and opportunities for closer cooperation in such areas as environment, trade, investment and macroeconomic management. The Unit also supported the TCDC National Focal Points meeting for Asia and the Pacific, held in Singapore in January 1997, which focused on the expansion of TCDC among countries in the region. The meeting was attended by senior government officials from 30 countries of the region, and representatives from the Association of South-East Asian Nations (ASEAN), the South Asian Association for Regional Cooperation (SAARC), the South Pacific Forum (SPF), the Colombo Plan Secretariat, and the Latin American

Economic System (SELA), as well as representatives from a number of United Nations organizations.

13. In 1997, the Special Unit forged new partnerships with four leading institutions in the South, namely, the Third World Network of Scientific Organizations (TWNSO), the Third World Network (TWN), the Caribbean Centre for Development Administration (CCDA) and the Food and Agriculture Organization of the United Nations (FAO). The strategy was to consolidate best sustainable development practices in developing countries for possible replication. It is anticipated that, by 1999, at least 250 such best practices will be compiled and disseminated through the TCDC Information Referral System (TCDC/INRES). In addition, the Special Unit has introduced initiatives aimed at building the national capacity of TCDC focal points to use state-of-the-art information and communication technology tools for the effective promotion and application of TCDC and ECDC. The launching of a major initiative to establish content-based national TCDC web pages in developing countries in the Africa, Asia and the Pacific and Central America regions is an important feature of this initiative. It is anticipated that at least 40 such TCDC web sites will become operational in 1999.

14. As the substantive secretariat of the High-level Committee on the Review of TCDC, the Special Unit was involved in the substantive preparation, including provision of relevant documentation, for the tenth session of the High-level Committee, held in April 1997. One of the innovative features was the introduction, for the first time, of a country case study presentation segment during the session, which allowed developing countries delegates to share and exchange their experiences in TCDC.

C. Key challenges

15. Notwithstanding the substantial progress made, concerted efforts will need to be made by all organizations and agencies of the United Nations system, including UNDP, to orient the operational activities for development increasingly towards South-South cooperation and to integrate the use of the TCDC modality in development cooperation activities. For this purpose, future efforts must be geared towards institutionalizing and mainstreaming the use of TCDC in all operational activities for development; mobilizing support for TCDC by further enhancing its global partnerships and broadening its funding base; strengthening national capacities to initiate and manage TCDC activities; and increasing awareness of the potential as well as cost-effectiveness of TCDC through the compilation and dissemination of best practices.

16. In its resolution 52/205 of 18 December 1997, the General Assembly "request[ed] the Secretary-General, in cooperation with the Special Unit for Technical Cooperation among Developing Countries and in consultation with Member States and relevant organizations and agencies of the United Nations system, to incorporate in his report for the triennial policy review of operational activities for development for consideration at the fifty-third session of the General Assembly, an assessment and recommendations aimed at further strengthening of the integration of the modalities of economic and technical cooperation among developing countries in the operational activities of the

United Nations system, with a view to enhancing global partnership in international development cooperation" (para. 11). Inputs for the Secretary-General's report are being prepared by SU/TCDC, which will also include a strategic vision for South-South cooperation and the role of TCDC and UNDP in such cooperation in the next millennium, in line with the "Report of the Ad Hoc Open-ended Working Group of the General Assembly on an Agenda for Development" (A/51/45), UNDP 2001, and the recommendations of the report "New Directions for TCDC".

17. As the system-wide coordinator on TCDC and in response to decision 10/2 of 9 May 1997 of the tenth session of the High-level Committee on the Review of TCDC, the Special Unit has prepared a draft of revised system-wide Guidelines for the Review of Policies and Procedures concerning Technical Cooperation among Developing Countries. The guidelines will be submitted through the Economic and Social Council to the General Assembly at its fifty-third session, in the context of the triennial policy review of operational activities for development of the United Nations. Once endorsed by the fifty-third session of the General Assembly, they will serve as a guide to ensure that future efforts in support of South-South cooperation and TCDC by all organizations and agencies of the United Nations system are conducted in a more systematic, coordinated and effective manner.

18. In its resolution 52/205, the General Assembly decided to hold a one-day commemorative meeting at the beginning of its fifty-third session to mark the occasion of the twentieth anniversary of the adoption of the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries. The resolution requested the Special Unit, in its capacity as substantive secretariat of the High-level Committee on the Review of Technical Cooperation among Developing Countries and system-wide coordinator on technical cooperation among developing countries, to be responsible for the preparation and organization of the commemorative meeting, including the provision of adequate documentation, in consultation with Member States and relevant organizations and agencies of the United Nations system. The event will be used to address the main challenges to the South and the increasing relevance of South-South cooperation and TCDC in an increasingly interdependent and globalized world economy. The role of the United Nations in the promotion of such cooperation will also be examined in this context.

19. The Special Unit will endeavour to help developing countries take advantage of today's information and communication technology for the purpose of enhancing economic and technical cooperation among themselves. For this purpose, the TCDC Information Referral System (TCDC/INRES) will be re-engineered into an interactive and content-based gateway. Through this system, developing countries will be able to engage in instantaneous dialogue on priority issues and policies of common concern. Gainful exchanges on development-related knowledge, know-how, best practices and cooperation opportunities among developing countries would also become possible.

20. UNDP will continue to work closely with the Group of 77, China and other development partners, including NGOs and the private sector, with a view to further strengthening the role of the United Nations in development cooperation, including South-South cooperation. Through SU/TCDC, UNDP will provide support

to the Group of 77 and China's Ministerial Meeting on Regional Economic Integration, to be held in Bali, Indonesia, in August 1998. Support will also be provided to the Group's Tenth Meeting of the International Follow-up Coordination Committee on Economic Cooperation among Developing Countries later this year.

21. The acceleration in the pace of globalization calls for renewed international efforts and support for South-South cooperation. For this reason, the Secretary-General has included in his reform agenda a reorientation of the work of the organization increasingly towards South-South cooperation. This will require considering support for South-South cooperation and TCDC not as an option, but as an imperative in the context of the increasingly globalized world economy, so as to help the developing countries to help themselves to effectively ride the wave of globalization. The international community must also be able to appreciate fully the basic principles of South-South cooperation and TCDC, in which developing countries decide their own priorities, set their own agenda, choose their own partners and mode of cooperation, and manage the process on their own. UNDP believes that equitable and sustainable development in the South is in the interest of global peace and security. The challenge before UNDP is to ensure that it continues to lead in forging and strengthening a global partnership for the promotion of South-South cooperation in general, and of TCDC in particular, in a more systematic, coordinated and effective manner.

II. UNITED NATIONS CAPITAL DEVELOPMENT FUND

A. Introduction

22. In paragraphs 2 to 5 of its decision 97/8 of 14 March 1997, among other things, the Executive Board "endorse[d] the implementation of the new policy focus of the United Nations Capital Development Fund (UNCDF), which concentrates its activities on local governance, decentralization, participation and micro-financing; also endorse[d] the current reorganization efforts, with a view to creating a more decentralized and effective organization ...; encourage[d] the Fund and UNDP to intensify their collaboration in all relevant areas, including in the design and implementation of country cooperation frameworks ...; and request[ed] the Fund to improve the dissemination of successful project and programme experience in order to foster replication of these successes".

23. In 1997, UNCDF focused on quality and policy development by continuing to follow the strategies set out in its 1995 policy document (DP/1995/23) and to implement the recommendations of the 1996 Capacity Assessment Study as well as Executive Board decision 97/8. UNCDF donors had given UNCDF a three-year period in which to show the capacity to deliver on the promises of the policy paper. The halfway mark came at the end of 1997 and coincided with an in-depth thematic review of UNCDF products, including local development funds, eco-development, micro-financing and blueprint infrastructure projects. UNCDF further improved the dialogue between the programme countries and headquarters and decentralized programming and technical advisory staff. UNCDF emphasized the improvement of synergy with UNDP, particularly in country offices, through Memoranda of

Understanding and joint programming. In addition, the UNCDF Executive Secretary was appointed to head the Joint UNDP/UNCDF Special Unit on Microfinance.

24. In line with the recommendations of the Capacity Assessment Study as well as internal thematic reviews, UNCDF has begun a process by which it will merge local development fund and eco-type approaches into a single programme. The decision to merge local development fund and eco-strategies results from earlier Capacity Assessment Study recommendations, and from the mid-term review findings and recommendations that highlighted the need to promote strategies that are institutionally sustainable. UNCDF thus aims to combine some of the more innovative aspects of the eco-approach together with the institutional strategy of local development funds (anchoring activities with local state institutions) in its future programming. A staff task force will make recommendations on an action plan to achieve this. The task force will also advise management on follow-up issues and recommendations of the January 1998 Arusha, United Republic of Tanzania, local development fund workshop and UNCDF management retreat focusing on policy, project design, strategy, and implementation issues.

B. Highlights of 1997 achievements

25. As proposed in the 1995 policy document, the Fund concentrated on increasing the amount of approvals in the sectors of local development funds, eco-development and microfinancing. The majority of funding in 1997 (59 per cent) went towards local development fund, eco-development and microfinancing projects.

26. With regard to the financial objectives set out in the UNCDF 1997 business plan, core contributions remained the same at $33 million, although 8 out of 10 donors increased their contributions in national currencies. A strong United States dollar offset by good investment of UNCDF resources kept the total resource base stable. Grant increases and new project approvals (15) increased by 15 per cent to over $63 million, but UNCDF was not as successful in reaching its target for delivery of ongoing projects, which dropped by 9 per cent to $38.2 million. This was due in part to time lags between the signing of project documents and disbursements, and the change in emphasis from blueprint infrastructure to local development fund and eco-projects, which have longer start-up phases and focus more on small-scale infrastructure. Administrative costs have continued to remain stable.

27. As stated in its 1995 policy paper, UNCDF intends to focus increasingly on Africa in its programming. In this respect, project approvals for Africa increased by almost 7 per cent to 64 per cent of all project approvals.

28. As indicated above, 1997 was a year of policy refinement and a number of policy activities were undertaken, leading to a clearer understanding of UNCDF core products and the need for the concepts of local development funds and eco-development to move closer together. Activities undertaken included: (a) refinement of the eco-development concept through a discussion paper, seminars in Glen Cove, the United States, in March 1997, and in Senegal, in June 1997, and an internal thematic review of several projects in December 1997; (b) validation of the local development fund concept and development, first, by

a workshop of eminent academics and practitioners, held in Uganda, in January 1997, and subsequently by an internal thematic review conducted by independent scholars in January 1998, which was the basis for a second workshop in the United Republic of Tanzania, also in January 1998 - in preparation for the latter workshop, several technical papers were prepared, as well as a synthesis issues paper for discussion; (c) integration of feedback from the above-mentioned papers and into UNCDF operations; (d) development of a paper on participatory approaches to guide staff and consultants; (e) a review of the UNCDF microfinance portfolio, jointly undertaken with the Consultative Group to Assist the Poorest and the World Bank; and (f) establishment of staff task forces for both the eco-development and local development fund projects, which acted as a forum for the exchange and sharing of information.

29. Fifteen evaluations, two internal thematic reviews on eco-development and local development fund projects, and preparations for the thematic reviews of microfinance and roads projects were also undertaken in 1997. The 1996 evaluation summaries were published in a document shared with donors and UNCDF partners. Evaluation findings and lessons were reviewed with all staff and results from these meetings were incorporated into new approaches for programming and project design. UNCDF reinforced the project monitoring and evaluation system by making Key and Diverse Resources and Expertise (KADRE)/ stakeholder workshops a standard part of the formulation process and by finalizing a kit on key performance indicators. UNCDF also continued to focus on the upcoming 1999 evaluation to be led by its donors. UNCDF was invited to join the committee set up by the donors and provided other members with the necessary information to determine the scope of the evaluation and draft terms of reference.

30. Dissemination of successful project and programme experiences. UNCDF is continuously updating its website with case studies and plans to establish an Internet site for the exchange of experiences in order to reach those within and beyond the organization. A communications strategy is being formulated to ensure better dissemination of ongoing project experience and will be incorporated into future project design. All workshops held in 1997 served primarily as forums for the exchange and dissemination of project and programme experience and involved non-United Nations partner organizations and institutions.

31. External relations and resource mobilization. UNCDF made a concerted effort to inform UNDP, donors, beneficiary Governments and other key partners of UNCDF policy and its main products, including eco-development, local development funds, microfinance and blueprint infrastructure. This was done via Friends of UNCDF meetings (donors); visits to participating countries and attendance at relevant meetings, including meetings with delegations of the Executive Board; an exchange of staff with the International Fund for Agricultural Development (IFAD); the Rome Decentralization Conference, for which UNCDF was one of the sponsors; and the Consultative Group to Assist the Poorest meetings in Manila, the Philippines, and Washington, D.C., United States of America, on microfinancing.

32. Development of a country concentration methodology. During 1997, with the assistance of a range of eminent scholars, a methodology was developed that was

used as a management tool in selecting 15 countries for greater concentration by UNCDF. The following countries were selected: Bangladesh, Benin, Bhutan, Burkina Faso, Cambodia, Ethiopia, Guinea, Haiti, Malawi, Mali, Mozambique, Nepal, Senegal, Uganda and the United Republic of Tanzania.

33. Increased synergy between UNCDF and UNDP. In follow-up to the Executive Board's encouragement for UNCDF to intensify collaboration with UNDP in all areas (decision 97/8), a Memorandum on Synergy between UNDP and UNCDF signed in May 1997 identified key steps taken in the last three years. In addition to the 1997 objectives, actions to increase synergy with UNDP included the following: (a) UNCDF successfully collaborated with UNDP in joint programming exercises including in Haiti and Malawi; (b) Memoranda of Understanding were signed with UNDP Resident Coordinators in the following concentration countries: Malawi (in 1996), and in Bangladesh, Benin, Burkina Faso and Senegal in 1997; (c) UNCDF increased its participation in UNDP meetings such as the Gender Committee, the Programme Management and Operations Committee, and the Operations Management Group meetings; (d) UNCDF held a meeting with the United Nations Development Fund for Women to discuss closer collaboration, which resulted in agreements to cooperate together in Haiti and Senegal; and (e) UNCDF recruited a specialist technical adviser in local institutions to a post based in Kampala, Uganda, covering not only Uganda, but Malawi, the United Republic of Tanzania, and Zambia. The technical adviser's brief is not only to provide backstopping to UNCDF projects in the region, but also to support more general UNDP activities in the field of local governance.

34. In 1997, the UNDP Administrator established the Joint UNDP/UNCDF Special Unit on Microfinance, bringing together the new MicroStart Programme with the UNCDF credit and microfinance portfolio. The UNCDF Executive Secretary was nominated to be the Director of the Unit, which aims to provide quality technical support and backstopping to country offices and UNCDF, to pool scarce financial and human resources, and to enhance UNDP and UNCDF effectiveness and ability to work with the donor community and the private sector.

35. UNCDF developed an active partnership with the World Bank in countries where local development fund projects may be used as pilots to be upscaled through World Bank International Development Association (IDA) loans (Uganda). The pilot projects are designed in close collaboration with the World Bank and will test policy and design strategies for the decentralization of capital budgets, and provide lessons to government partners and the World Bank. It is expected that the UNCDF $12 million project will precede an IDA loan of approximately $380 million. UNCDF also held a one-day staff exchange with IFAD, which included senior and technical staff from both agencies, and which led to proposed field partnerships in three countries (Bhutan, Haiti and Malawi). UNCDF also established trust fund agreements with the Government of Australia and UNDP in Viet Nam, and with the Government of the Netherlands and UNDP in Mozambique. UNCDF has been collaborating with the World Bank on a major research/advocacy programme on decentralization and rural development. Together with the Bank and other donors (the German Agency for Technical Cooperation, IFAD, FAO) UNCDF acted as co-sponsor and co-organizer of a major conference in Rome, Italy, to discuss these issues and share experience.

36. In decentralizing financial and programme functions, planned actions taken were: (a) a paper on decentralization of programme functions from headquarters was agreed upon; (b) two programme managers were outposted to East and West Africa and one technical adviser was outposted to East Africa; (c) Memoranda of Understanding were drawn up between UNDP and UNCDF on focus countries; (d) UNCDF chose the Lao People's Democratic Republic as a test case, prepared a paper on decentralizing programme functions to the country office and signed a Memorandum of Understanding; and (e) the job descriptions of programme officers in programme countries were revised.

37. Improving quality of service and programming by developing a Staff Competence Programme. In an ongoing quest to improve its operations, and in line with the recommendations of the capacity assessment, UNCDF focused on strengthening its in-house capacities through: (a) the holding of two field-based programme officer workshops (in the Lao People's Democratic Republic, in May 1997, and in Zambia, in November 1997); (b) the participation of French-speaking, field-based programme officers in an eco-workshop in Senegal in June 1997; (c) the participation of staff in stakeholder workshops in Burkina Faso and Senegal; (d) the holding of a workshop on local development funds in Uganda to provide a learning opportunity for staff members by bringing together academics and practitioners in this field; (e) the holding of four "weeks in residence", which provided an opportunity for headquarters and field staff to gain knowledge on a variety of topics and state-of-the-art thinking; (f) the establishment of an agreement with the Asian Institute of Technology (Bangkok, Thailand), whereby the Institute will provide regular technical support for UNCDF programme development and implementation in Asia and will also facilitate the dissemination of lessons learned on policy issues to a wider audience in the region; (g) the preparation of a competency development questionnaire which was filled out by UNCDF staff; and (h) the recruitment of a monitoring and evaluation specialist and regional technical adviser on local development funds.

C. Key challenges

38. In 1998, UNCDF will continue to pursue its policy development exercise by merging the local development fund and eco-development approaches into a single programme in support of decentralized local governance. UNCDF will also aim at achieving the following objectives:

(a) The establishment of a single programme combining local development fund and eco-development approaches. As recommended in the Capacity Assessment Study and by internal thematic reviews, UNCDF will continue to move towards ultimately merging its local development fund and eco-development approaches into a single programme. UNCDF has established a task force to work on the local development fund/eco-development merger, which will advise UNCDF management on the further development of local development fund programming policy and on project design strategy and implementation procedures. Among its many actions, the task force will prepare a policy paper, which will then be debated by all staff and finalized by July 1998;

(b) The refinement of the concept for UNCDF microfinance projects. UNCDF will be reviewing the microfinance sector through two strategies: the first

being an internal review of their own projects and the second being through the joint UNDP/UNCDF Special Unit on Microfinance. In 1998, UNCDF, in close collaboration with the Consultative Group to Assist the Poorest, will finalize the internal review of microfinance projects and incorporate lessons and recommendations into an improved microfinance concept. The list of general key performance indicators for microfinance projects will be finalized through collaborative work with UNDP MicroStart projects, and UNCDF will continue to harmonize various tools such as monitoring and impact assessment with UNDP under the UNDP/UNCDF Special Unit on Microfinance;

(c) The establishment and mainstreaming of a UNCDF gender policy into programming. In 1998, UNCDF will address gender issues by ensuring gender analysis in project documents and holding a one-day training on gender for staff. Staff performance will also be evaluated, according to their ability to achieve gender goals set out in the UNCDF policy.

39. The UNCDF policy of focusing its programming in fewer countries has been further institutionalized. As discussed in paragraph 40 below, UNCDF will continue to sign outstanding Memoranda of Understanding. UNCDF will also review its list of concentration countries on a regular basis to reflect the changing political environment in existing and potential concentration countries.

40. UNCDF will promote synergy with UNDP through increased collaboration. UNCDF will work with UNDP by establishing a compact with the UNDP Administrator outlining an agreement on a series of targets. This compact will be reviewed on a regular basis to ensure implementation by both parties. UNCDF will focus on establishing Memoranda of Understanding with all of the resident coordinators in the concentration countries; currently 10 are outstanding. UNCDF will also encourage an even greater participation of UNDP in its programming missions and throughout the project cycle. During 1998, UNCDF will evaluate the experience it has undertaken in the Lao People's Democratic Republic with the UNDP office, which is responsible for all approved programming. Coinciding with the end of the first year of the outposting exercise, UNCDF management will meet with UNDP resident representatives to review the performance of the staff in East and West Africa and to discuss their work plan for 1998.

41. Staff development and improving the quality of projects are key priorities for UNCDF. In 1998 the monitoring and evaluation specialist will be fully operational; UNCDF will recruit the institutional technical adviser; staff training will be incorporated into all UNCDF events and UNCDF will make a concerted effort to develop and maintain partnerships with other organizations. Within this framework, the following objectives will be achieved:

(a) UNCDF monitoring and evaluation capabilities will be further strengthened. With the recruitment of a monitoring and evaluation specialist, UNCDF intends to strengthen the monitoring and evaluation portions of ongoing and pipeline projects. The key performance indicator kit will be revised and updated and UNCDF will establish an Evaluation Review Committee. The role of the Committee will be to review the status of evaluations to ensure their timeliness and the preparation of action plans and their implementation, as well as suggest ways and means to integrate findings into operations;

(b) The UNCDF competency development plan will be implemented in 1998. UNCDF has prepared a competency development and staff training plan for 1998, with provisions for (i) greater use of "weeks in residence" as training opportunities around focused themes, with greater use of external resource persons; (ii) short courses in project logical frameworks, management, and monitoring and evaluation for headquarters staff and programme officers; and (iii) some scope for individual staff applications for specific training opportunities;

(c) UNCDF will forge new partnerships and build on prior alliances. UNCDF will work towards implementing the recommendation agreed to in 1997 to further develop alliances with IFAD and the World Bank as well as to determine a series of new partners for strategic involvement, including multilateral, bilateral and academic institutions and NGOs at both international and national levels. Regional technical networks will be established in West and East Africa to provide technical advice and backstopping to UNCDF projects and programmes;

(d) The UNDP gender policy will be implemented;

(e) National execution guidelines will be operationalized.

42. In the area of information management, a database encompassing programme and evaluation data will be operationalized. In 1996, the capacity assessment team had reviewed the status of its database and found it to be unresponsive to the needs of the organization. In 1998, UNCDF will establish a new database that can be accessed through the Internet and will therefore be accessible from the field (for those lacking access to Internet, compact disks will be forwarded with the database) and will link up with financial information as well. The UNCDF corporate Intranet and external web site have been established and enhanced. A corporate Intranet is being developed. It has been designed to facilitate both internal communication and access to important information both at headquarters and in the field. The Intranet will also provide a direct connection to the UNCDF database. UNCDF will continue to prepare for the 1999 overall evaluation by supporting the donor evaluation committee (apart from being a member of that committee) and preparing for the desk review and the field study scheduled to take place in 1998/1999.

III. UNITED NATIONS DEVELOPMENT FUND FOR WOMEN

A. Introduction

43. During 1997, the United Nations Development Fund for Women (UNIFEM) concentrated on the implementation of its Strategy and Business Plan, which delineates areas of focus and operations for the period 1997-1999. The Executive Director of UNIFEM presented an outline of the business plan to the Executive Board at its first regular session 1997, and the UNIFEM strategy and business plan as contained in document DP/1997/18 was endorsed by the Executive Board at its annual session 1997 (decision 97/18).

44. UNIFEM programme strategies, design and implementation are guided by an empowerment framework that is built on women's rights, opportunities and

capacities. UNIFEM focuses on three areas: strengthening women's economic capacity as entrepreneurs and producers; engendering governance and leadership that will increase women's participation in the decision-making processes that shape their lives; and promoting women's human rights so as to eliminate all forms of violence against women.

B. Highlights of 1997 achievements

45. Some highlights of UNIFEM programmatic work in 1997 included:

(a) Developing women's business management skills, productive capacity and marketing ability to ensure that small-scale women-run business enterprises can gain direct access and compete successfully in newly emerging global markets;

(b) Analysing the impact of trade treaties such as the Southern Cone Common Market, the North American Free Trade Agreement, and Lome 2000 on women;

(c) Promoting women's participation in the national electoral processes so that women can hold decision-making positions and influence national policies and legislation to be gender-sensitive;

(d) Promoting women's participation in peace processes, with a focus on preventive diplomacy, mediation, and conflict resolution;

(e) Building women's capacity to use the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) as a tool to monitor Governments' actions and to work with the CEDAW Committee;

(f) Supporting innovative and catalytic initiatives in awareness-raising and advocacy, capacity-building, legal literacy training, and prevention and deterrence of violence through the Trust Fund in Support of Actions to Eliminate All Forms of Violence against Women.

46. The strategy and business plan commits UNIFEM to strengthening systems that allow the organization to learn from its own innovative, catalytic efforts. On an ongoing basis, UNIFEM is developing new systems and approaches to examine the ways in which pilot and demonstration projects lead to replication, and how policy and institution-strengthening activities highlight women's issues in national and international contexts. UNIFEM has undertaken strategic thematic reviews so that lessons learned can be applied to its work - across regions and across thematic areas - as new initiatives are piloted in emerging areas of importance to women.

C. Key challenges

47. To create greater efficiency and effectiveness in implementing the organization's goals, the business plan aims to set up a Management Information System (MIS). MIS will allow for more focused programming, better tracking of programme impact, and overall financial monitoring. Work on developing MIS began in 1997 and the system will become operational in 1998.

48. The Secretary-General, in his report on the implementation of the Beijing Platform for Action to the General Assembly at its fiftieth session (A/50/744), recommended that the capacity of UNIFEM should be enhanced to: provide effective operational support for follow-up action at the national level; exercise a catalytic role in promoting effective inter-agency coordination at the country level, through the resident coordinator system; and bring country-level experience to bear on relevant aspects of the work of the system at the global level. These recommendations have taken on increased significance in 1997, particularly within the context of United Nations reform and the interest in coordinated follow-up to United Nations international conferences.

49. UNIFEM is proceeding with its pilot project to place gender advisers to the resident coordinator system in 10 countries, and has begun recruitment for placement in two African countries. Backstopped by the UNIFEM regional programme adviser, gender advisers will work closely with the resident coordinator to ensure that the United Nations country team has access to gender expertise and training to develop innovative programmes that incorporate gender mainstreaming principles. UNIFEM has also worked closely with UNDP and the United Nations Volunteers (UNV) programme and will place 20 gender specialists in programme countries. In 1997, agreements were reached with resident coordinators in 16 countries to host UNVs, and nine candidates have been identified and will assume their field posts in the first quarter of 1998. UNIFEM is also continuing its partnership with the United Nations Population Fund (UNFPA). We are providing technical backstopping in gender, population and development to eight UNFPA country support teams, with a total of 10 adviser posts.

50. Through participation in the United Nations Development Group, UNIFEM ensured that as the concept of the United Nations Development Assistance Framework (UNDAF) was developed, attention was paid to incorporating gender issues in indicators, common databases, and common country assessments. Two of the UNIFEM regional programme advisers, assigned to be part of the UNDAF Global Support System, served as facilitators for the preparation of UNDAF in Romania and Viet Nam. In several countries, UNIFEM regional programme advisers have taken the lead in convening inter-agency task forces on gender to support the resident coordinator system.

51. WomenWatch, a collaborative project between UNIFEM, the Division for the Advancement of Women, and the United Nations International Research and Training Institute for the Advancement of Women, has continued to grow. A gateway to United Nations information on women worldwide, this electronic site provides a wide range of information about the ways in which United Nations agencies are implementing the Beijing agenda.

52. In accordance with Executive Board decision 97/4 of 17 January 1997, the methodology for determining project approval and operational reserve levels for the Fund under the partial funding modality was implemented in 1997. As at 31 December 1997, the level of the operational reserve was $3.5 million. The partial funding methodology applied during 1997 resulted in UNIFEM being able to re-start its activities under a more normal programme frame.

53. Also in 1997, in its decision 97/24, the Executive Board approved the UNIFEM biennial budget to cover its administrative and programme support staff costs for the period 1998-1999. The budget was prepared in accordance with the unified format agreed for use by UNFPA, UNICEF and UNDP. It has allowed UNIFEM to regularize its staffing situation.

54. In order to strengthen its work as a centre of excellence, as well as its work within the United Nations system, UNIFEM resources must increase significantly over the next three years. The Strategy and Business Plan set ambitious targets. One of its targets - to increase the total level of support for 1997 to $19,260,000 - was exceeded by $0.5 million. In fact, the resource base of UNIFEM has increased by almost 50 per cent from 1994 to 1997. Contributions to UNIFEM totalled $14 million in 1994. By 1997, contributions had risen to $19.7 million.

55. The Strategy and Business Plan also committed UNIFEM to work to achieve greater diversification by securing increased income from multilateral and private sources. UNIFEM has set in motion a concentrated strategy to increase its existing resource base, and to establish new networks of support to mobilize resources on behalf of the Fund.